

ENBRIDGE GAS NEW BRUNSWICK FIREWALL

Background

In its decision dated September 2, 2003, the Board of Commissioners of Public Utilities (“Board”) directed EGNB:

“...to establish a “firewall” between those employees who perform functions related to EGNB’s distribution business and those employees who are involved with the sale of gas. Customer information related to the sale of gas that is received from gas marketers by EGNB employees working on distribution must not be shared with EGNB employees involved in the sale of gas. EGNB is directed to develop procedures to ensure that this does not happen and to submit such procedures to the Board for its review and approval.”

This decision was made subsequent to a hearing, initiated by the Board, in response to changes to the Gas Distribution Act, 1999 and its regulations by the Province of New Brunswick. These changes permit the sale of natural gas commodity by Enbridge Gas New Brunswick (“EGNB”), Enbridge Utility Gas (“EUG”), from within the distribution utility in accordance with the Gas Distributor Marketing Regulation (“Regulation”). By virtue of that Regulation, EUG is a regulated part of the distribution utility and the Province has established the operational parameters within which EGNB shall sell gas. Potential customers can now benefit from a single point of contact to obtain natural gas service. The Minister of Natural Resources and Energy confirmed this objective by stating in a news release dated March 25, 2003, “The changes will assist the gas distribution company to make customer attachments more quickly and thus encourage aggressive roll-out of new distribution system pipelines.”

In its decision, the Board recognized that “the clear intention of the Legislature is to allow EGNB to compete in the marketplace for the sale of gas. It is only reasonable in such a situation that competitors should aggressively seek to obtain as many customers as possible and the Board accepts this as being in the public interest.”

EUG will benefit the natural gas industry as a whole. While it is likely to mature the distribution utility through quicker, easier customer attachment, this temporary (per Section 3(1)(a) of the Regulation) foray into the role of gas supplier will also serve to increase the pool of natural gas customers to be shared amongst Gas Marketers when EGNB eventually exits the marketplace.

It is important to note that EGNB’s EUG price is cost-based (per Section 4 of the Regulation) and not subject to customer negotiation. Accordingly, any access to customer information related to the sale of gas by EGNB could not influence the price of gas supply offered to potential customers.

**Customer Information related to the Sale of Gas received from Gas Marketers
Customer Information”)**

For the purposes of this policy, EGNB has defined “Customer Information” as being information received from Gas Marketers that links an individual customer to:

1. A customer’s Gas Marketer;
2. A start date and date of first delivery under the customer’s contract with a Gas Marketer;
3. A customer’s participation in a collection service agreement (Agent Billing and Collection Service);
4. A customer’s price category;
5. The end date of a customer’s contract with a Gas Marketer; and
6. A customer’s monthly price.

At the hearing held on August 13, 2003, the Province of New Brunswick added a question to the existing list of issues, “Is there additional information available to EGNB by way of the Automated [Agent] Billing and Collection Service that it would not have by way of any other mechanism? Should the information be addressed through the implementation of a firewall?” EGNB has identified Customer Information Nos. 4, 5 and 6 (above) as being “information available to EGNB by way of the Agent Billing and Collection Service”.

Board Requirement to Establish a “Firewall”

EGNB was directed to develop procedures ensuring customer information related to the sale of gas that is received from Gas Marketers by EGNB employees working on distribution is not shared with EGNB employees involved in the sale of gas.

EGNB’s proposed “firewall” combines both physical segregation and preventative procedures to achieve the Board’s objective. However, EGNB is concerned that physical or procedural segregation not unduly restrict its ability to “aggressively obtain as many customers as possible.” For example, EGNB’s Marketing and Sales team is responsible for both the sale of distribution services and EUG. It would be exceedingly difficult and impractical to separate these functions. The result would counter the objectives of the Province in permitting the distribution utility to sell gas.

EGNB believes that its approach will adequately balance the Board’s requirement for controls over Customer Information and EGNB’s ability to aggressively obtain customers.

Access to Customer Information

Only a limited number of EGNB’s personnel may access Customer Information. EGNB currently employs two teams that may access Customer Information. Each team has very different objectives and mandates.

Customer Care team: EGNB’s Customer Care team produces customers’ monthly bills, performs collection activities as well as providing call center services in order to address customer billing and general inquiries. EGNB’s Customer Care team is not mandated to promote either distribution service or EUG. In addition, the Customer Care team is not equipped/able to attach customers to either service. Inquiries reaching EGNB’s Customer Care team through the general call center line (telephone: 1-800-994-2762) and which deal with a potential customer’s attachment to distribution service, conversion to natural gas or purchase of gas supply are directed to EGNB’s Marketing and Sales team for follow-up.

EGNB’s Customer Care team has access to all of the Customer Information outlined above in order that it efficiently and effectively answer customer questions regarding their bill. Though Customer Information is available to Customer Care, callers wishing to discuss a Gas Marketer’s monthly price, price category assignment or price trends are asked to call their Gas Marketer. EGNB provides Gas Marketer contact information to customers whenever requested.

Marketing and Sales team: EGNB’s Marketing and Sales team promotes and markets EGNB’s distribution service and EUG. This group includes a Marketing team, a Sales team and an Inside Sales & Service team. EGNB’s Marketing and Sales team usually receive inquiries from potential or existing distribution customers through direct calls (telephone: 1-866-343-8427 (1-866-3GETGAS)). They can also get inquiries forwarded from EGNB Customer Care.

EGNB's Marketing and Sales team has access to some Customer Information (No.1 through No. 3 above). This information is collected during the customer attachment process and is required because:

- EGNB must determine that a customer has obtained a supply of natural gas commodity prior to providing distribution service. When gas is supplied by a Gas Marketer, EGNB's distribution service is triggered by the Gas Marketer's date of first delivery to the customer.
- Distribution customer requests for EUG must be considered in light of existing contracts with Gas Marketers. EGNB must be able to verify that a customer is not presently attached to another Gas Marketer before accepting them as a customer of EUG.
- Distribution customers currently receiving supply from a Gas Marketer often contact EGNB for information regarding their gas supply. In order for EGNB's Marketing and Sales team to properly assist customers and direct them to their Gas Marketer, EGNB must be able to access, and provide sufficient Customer Information to assist the customer (No. 1 through No. 3 above).

Steps Already Taken

The following changes have already been implemented by EGNB during the process of defining the firewall:

- Marketing and Sales team now has limited access to customer information;
- One staff member has been transferred from the Inside Sales & Service team to the Customer Care team to process Customer Information that will not be shared with the Marketing and Sales team. She will be known as the Customer Care Coordinator; and
- EGNB's Application for Natural Gas Service will now include in the section dealing with a customer's gas supply, an option of "Other" in addition to "EUG".

Proposed "Firewall"

EGNB has implemented or will be implementing the following additional measures to address the Board's concerns:

1. Customer Care Coordinator: A new Customer Care Coordinator has been designated within the Customer Care team to receive certain Customer Information (Nos. 4, 5 and 6 above). The Customer Care Coordinator will not take any incoming calls relating to the sale of EUG.

The Customer Care department will review all Applications for Natural Gas Service prior to processing. Where an Application does not indicate the customer's gas supplier, the Customer Care Coordinator will specify "Other" on the Application to allow the Inside Sales & Service team to process the application. A notification in the

form of a letter will be sent to the customer by the Customer Care Coordinator with a reminder that they must choose a gas supplier (if they have not already done so) before their account can be activated (see Appendix A). If a customer's gas marketer information has not been received and is delaying activation of the account, the Inside Sales & Service team will notify the customer's contractor to contact the customer.

All distribution customers will receive a "Welcome to Natural Gas" letter after their account has been activated. This will eliminate any confusion created by the current practice of sending the Welcome letter upon receipt of their application.

Marketing and Sales staff will not have access to Customer Information Nos. 4, 5 and 6 above.

2. **Calls to Call Center:** If a potential customer calls the general call center line (1-800-994-2762), a menu containing the following choices is currently provided:

"To report a smell of gas, a damaged pipeline, suspected carbon monoxide or for emergency natural gas pipeline locations or natural gas appliance emergencies, press 1;

For general call before you dig natural gas pipeline locates, press 2;

For all inquiries about natural gas including natural gas availability and conversion information and natural gas equipment service, press 3;

If you are moving, would like to report a meter reading, have questions about your Enbridge Gas New Brunswick bill or have any other customer service inquiry, press 5."

Choice 3 will be replaced by the following on the menu:

"To contact our Marketing and Sales Team for inquiries about obtaining distribution service, conversion information or natural gas equipment service, press 3."

Choice 4 will be added to the menu:

"To contact our Marketing and Sales Team for information regarding gas supply, press 4".

These calls will be answered by an Inside Sales & Service Coordinator within Marketing and Sales. If the potential customer is looking for information regarding gas supply, the Inside Sales & Service Coordinator will outline all of the gas supply options (EUG and other licensed gas marketers). EGNB commits to supply contact information regarding all gas suppliers.

EGNB will ensure that Marketing and Sales employees will not promote EUG in an instance where the customer indicates they are not seeking information regarding gas supply.

3. **Calls to 1-866-3GETGAS:** If a potential customer who does not have a marketer calls the Marketing and Sales team directly at 1-866-3GETGAS, the Marketing and Sales team can promote EUG.

Access to Certain Customer Information by Marketing and Sales

The Marketing and Sales team members requiring monthly pricing, bills or equivalent pricing information to perform analysis (e.g. target savings analysis) on behalf of customers shall obtain written permission from the customer to access Customer Information. This permission, once obtained from a customer, shall extend to any outbound written or verbal follow-up correspondence to the customer or related Gas Marketer.

Use of Customer Information by Customer Care

Customer Care reports including Customer Information Nos. 4, 5 and 6 shall only be accessible to EGNB Senior Managers. Such reports shall not reference individual customers and where Customer Information is provided, shall be aggregated to the extent necessary to ensure that individual customers cannot be identified.

Appendix A: Notice to Customers whose Application did not indicate Gas Supplier

«Customer_Name»
2010

November 26,

«Street_Number» «Street_Name»
«Municipality__Town__City» NB
«Postal_Code»

Dear «Contact_Name»,

We have received your application for a natural gas service to your building, are processing your application and will be bringing you access to natural gas as soon as possible. Your application however, did not indicate your choice of a gas supplier **and we can not activate your account until you have made arrangements for your gas supply.** If you have not made arrangements for your gas supply, you must contact one of the following licensed gas suppliers:

Natural Gas Supplier	Markets Served	Territory Served	Phone Number Web Site
Enbridge Gas New Brunswick	All Markets	All	1-866-343-8427 www.amazingenergy.ca
Irving Energy Services Ltd.	All Markets	All	1-888-310-1924 www.irvingenergyservices.ca
Park Fuels	All Markets	Saint John Only	1-506-634-7275
WPS Energy Services	Commercial and Industrial	All	1-800-280-1845 www.wpsenergy.com

Once you have made arrangements for gas supply, your gas supplier will notify us and EGNB will then activate your account.

If you have any concerns or questions along the way, please call us toll-free at 1-888-642-2020 or go to our Web site at www.amazingenergy.ca to email us or read our *Natural Gas Buyer's Guide*. You've made a smart choice and we're sure you'll enjoy the benefits of natural gas!

Sincerely,

Shona Bowes
Customer Care Coordinator